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Memorandum

PRESENTED BY SIR MIRZA ISMAIL, DEWAN OF MYSORE, TO THE
SECRETARY OF STATE FOR INDIA IN LONDON, IN JANUARY 1931.

1. I take the liberty of bringing to the notice of His Majesty's Secretary of State for India a matter of the highest importance to a large number of States in India, more particularly to the three States in the south which I have the privilege of representing at the Round Table Conference, namely, Mysore, Travancore and Cochin. I refer to the tributes and subsidies which the States pay to the British Indian exchequer.

2. The number of such States is 198, and the total sum of tribute they pay amounts to about 72 lakhs of rupees a year. Nearly a half of this sum comes from the three South Indian States I have mentioned above, the largest individual payment being from Mysore, which pays 24·5 lakhs. Travancore pays nearly eight lakhs, while Cochin pays two.

3. In the main, these tributes are a contribution under treaties towards the cost of military protection guaranteed to them by the Imperial Government. Some of the States (like Mysore), although under no obligation to do so, incur considerable charges for maintaining troops for Imperial service; and it is well known that more than once, use of these troops has been made for Imperial purposes. It is the purpose of this memorandum to show that these tributes, based on treaty obligations, weigh heavily upon the respective States both in a financial and a political sense.

4. The Government of India themselves have recognised the equity of relieving States paying tribute from a part of the burden in proportion to the expenditure incurred by them on Imperial Service Troops, and under Lord Reading's scheme the total charges (under subsidy and military contingent for Imperial Service), need not exceed fifteen per cent of the revenues of the State. It is true that for British India as a whole the proportion is twenty-five per cent of the total revenues of the central and provincial Governments, but this large figure includes charges for maintenance of internal peace and order, which naturally must be left out in calculating the equitable share of military expenditure to be taken by the States.

5. It is obvious that any such uniform percentage of State revenue is likely to discriminate between States which have developed, and those which have not, their internal resources, to the disadvantage of the former. Besides, a decision as to the legitimate contribution of any State towards Imperial military expenditure can at the present time be made only after taking into consideration the

new and increasing burden of indirect contributions to the Central exchequer by the peoples of the States. The Customs revenue of the Government of India has increased from July 1913 from a little more than 10 crores to more than 40 crores. It is only fair, therefore, that the question of the tribute, in relation to the military expenditure, should be considered, along with the right of States to a share of the Customs revenue. It is obvious that the whole question of the equitable apportionment of military expenditure requires investigation by a special committee. The special disability under which Mysore and the other States are labouring at present is that they are paying the subsidy, while the subjects of the States are also contributing simultaneously to the Imperial exchequer in the shape of Customs duties.

6. Not only is there this disparity between the position of Mysore and other Indian States which are paying no subsidy, but the unfavourable position in which Mysore is placed is also accentuated by the fact that the incidence of the tribute itself is specially heavy in its case. The population of Mysore is assessed tribute on a scale which is far in excess of that required of the population of other States in India.

7. The financial burden is not the only disability that a tribute-paying State is subjected to. The very fact of payment suggests a very invidious position for the State among the sister States. While Mysore may well claim to be one of the leading States in India, as has been recognised by the precedence and other marks of seniority enjoyed by her Ruler, the State, by the fact of payment of a tribute, occupies a position by no means consistent with the position she is entitled to by reason of her size, historic importance, and the progressive character of her administration. What is true of Mysore is true also of Travancore and Cochin. None of these States in any manner either suggest or desire exemption from their legitimate share of Imperial burdens to be definitely fixed on a uniform basis, as for example in relation to the size, the population, and the revenues of each State, but they are entitled to ask whether the tribute is not too archaic a financial expedient, and if the arbitrary variation of its amount from State to State does not need immediate redress.

8. The eagerness of the States to be free from payment of a tribute has become more pronounced with the increased association of the States among themselves by the institution of the Chamber of Princes and the promise of a closer association with British India. No State can rise to its full stature among the sister States or enter in a spirit of self-respect into intimate association with British India, unless it can come into the circle unembarrassed by the sense of inferiority associated with the payment of a tribute.

9. Mysore and other tribute-paying States are actuated not only by a desire to vindicate financial justice and establish political

equality *vis-a-vis* British India and the other States that are happily free from this obligation, but are moved even more by a necessity to find additional resources for the needs of a progressive administration. Mysore may well claim to have maintained a high standard of administration, and to have attempted in recent years to introduce into the State many elements of progressive administration. All this has entailed increasing expenditure, and there is a crying need in all parts of the State for more rapid progress in education, sanitation, medical relief, agricultural and industrial development. Large schemes of irrigation have been undertaken, and this has led to a large Public Debt which entails the ear-marking of a considerable part of revenue for interest and repayment charges. A remission of the tribute will relieve the tension that now characterises the finances of the State.

13. In conclusion, I beg to invite perusal of the enclosed copies of letters which His Highness the Maharaja of Mysore addressed to the Viceroy in 1919 and 1924 respectively. Lapse of time has only strengthened the views expressed in those letters. The British Government were generous enough to reduce the subsidy by 10½ lakhs from the 1st April 1928, and the present prayer is that that policy may now be extended to its logical conclusion. The British Government would thereby earn the everlasting gratitude of the many millions of people living in the States.

MIRZA M. ISMAIL.
